

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY 332nd
MEETING OF THE BOARD OF COMMISSIONERS September 24, 2009**
A meeting of the Board of Commissioners of the Rhode Island
Convention Center Authority (hereinafter referred to as "Authority",
the "CCA" or the "Board") was held on September 24, 2009 at 9:00
a.m. pursuant to notice, at the Rhode Island Convention Center
Boardroom, One Sabin Street, Providence, Rhode Island.

Board members present were Chairman, David Duffy,
Commissioners, Jeff Hirsh, William Daugherty, Bernie Buonanno,
Letitia Carter, Patrick Butler, Dale Venturini, George Nee, Paul
MacDonald and Jason Fowler.

Mr. Gavitt was unable to attend.

Also present were James P. McCarvill, Executive Director, Betty
Sullivan, Ken Mancuso and Kim Keough, Rhode Island Convention
Center Authority; Bruce Leach, Legal Counsel; Tim Muldoon, Deb
Tuton and Nancy Beauchamp, SMG/RICC; Larry Lepore, Bob Cappalli
and Eleanor SanAntonio SMG/DDC; Steve Habl, VMA; Hank Abate and
Jon Petrunak, SMG Corporate; Susan Johnson and Michael Crawley,
LGC&D; Tom Crocker, Sportservice; Joseph Solomon, House Policy
Office; Robert Bromley, Senate Fiscal and Eileen Smith, Recording
Secretary.

CALL TO ORDER

Chairman Duffy called the meeting to order at 9:00 a.m.

APPROVAL OF MINUTES

Mr. Duffy entertained a motion to accept the minutes of the 331st meeting, August, 2009. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Buonanno it was unanimously VOTED: to approve the minutes as distributed

Mr. Duffy instructed the Authority office to send the approved minutes to the Secretary of State's Office via electronic mail. Mr. Duffy announced that the next meeting would be held on Thursday, October 29, at 9:00 AM.

Mr. Duffy congratulated Mr. Nee on his recent election to President of the RI AFLCIO. Mr. Nee thanked the Commissioners.

Chairman Duffy noted that the War Memorial Dedication would take place following the meeting and encouraged everyone to participate.

Mr. Duffy asked Mr. McCarvill to present the consolidated financial review. Mr. McCarvill noted that the VMA net income for the month of August was \$3,326 to budget. Mr. McCarvill reported that the VMA is benefitting from PPAC's long term Broadway commitments. Several dance competitions and other acts are moving to the VMA this year. Mr. McCarvill reported that October is expected to be a good month. He said that we have a new relationship with Cat

Country that should increase our visibility for other forms of entertainment besides the ballet and philharmonic. Mr. McCarvill was pleased to note that the Convention Center had the best month that they have ever had. Mr. McCarvill reported that for the month of August, Convention Center net income was \$325,844 to budget and \$887,860 to the prior year. A strong event line-up generated Food & Beverage and ancillary revenues that exceeded budget. Mr. McCarvill reported that year to date net income was \$374,494 to budget and \$982,501 to the previous year. He said that Food & Beverage and Parking exceeded budget expectations due to strong catering, concessions and event parking. Mr. McCarvill reported that for the month of August the Dunkin' Donuts Center net income was \$194,361 to budget and \$111,781 to the prior year. Mr. McCarvill said that seasonal layoffs, adjustments to other costs and continued monitoring of expenses contributed to a successful month. Mr. McCarvill reported that year to date net income was \$306,673 to budget and \$157,339 to the previous year. He said that strong suite revenues and energy savings have had a positive impact. Mr. McCarvill reported that the Authority was (\$24,183) to budget and \$1,467,542 to the prior year for the month of August. He said that the Authority did not receive the hotel room tax this month. Year to date the Authority is (\$57,053) to budget and \$1,482,002 to the prior year. Mr. MacDonald asked what happens if we don't get the room tax. He asked if it affects the cash flow for the Authority. Mr. McCarvill explained that a letter is sent monthly to the Department of Administration stating our cash needs for the month. He said that

most months we do not ask for funding but if we can't pay our bills we would ask the State for cash in accordance with the terms of our lease with the State. Mr. Duffy displayed the detailed, comprehensive Budget Book that had been prepared by Ms. Sullivan and sent to the Budget Office. He noted that there are copies available at the Authority office if anyone wishes to look at it.

AUDIT

Mr. Hirsh reported that the Fiscal Year 2009 Audit had been completed. Ms. Johnson noted that there were no significant deficiencies found during the audit. Ms. Johnson reported that there were only two audit adjustments. Ms. Johnson said that there has been significant improvement over the past years. Mr. Hirsh noted that the audit had been submitted to the Auditor General on time. Upon a motion duly made by Mr. MacDonald and seconded by Ms. Venturini it was unanimously

VOTED: to accept the Fiscal Year 2009 Audit Report as submitted to the Auditor General.

DUNKIN' DONUTS CENTER

Mr. Buonanno reported that Hank Abate and Jon Petrunak were on site to let us know how the Dunk is fairing compared with other venues. Mr. Abate reported that Mr. Lepore has been struggling to

get quality acts to the Dunk but has been up against some major competition. Mr. Lepore noted that we thought we were going to be able to announce Jimmy Buffet but Mohegan Sun outbid our \$800,000 and offered \$1.4 million for the show. Mr. Abate reported that Mohegan Sun does not make money on the show but on the gambling. He said that this is what we have been dealing with. Mr. Petrunak reported that the touring acts are also down 25% over last year and the casinos are forced to overbid for the acts that are on tour. He said that 2010 looks much better. Mr. Petrunak reported that he has been speaking with several artists and that more tours are being scheduled. Mr. Lepore noted that we convinced Jay Z's promoter to look at Providence because we are more of a virtual college campus than the Ryan Center due to the number of college students in the area. Mr. Petrunak noted that there is a lot of stuff out there and Mohegan can't continue to operate this way much longer. He said that things will loosen up. Mr. Nee asked what the attendance is at Mohegan. Mr. Petrunak said that attendance is down a little but that it all depends on the market and Providence does very well in the family market. Mr. Lepore noted that this was the first time that Jimmy Buffet did not sell out at all venues. Mr. Duffy noted that as a result of our meeting with Mr. Abate, Jon was assigned to bring find acts that would be a good fit for this building. Mr. Petrunak said that he has been on the phone daily to drive business to this venue. He said that he will be working hand in hand with Larry and will pursue every opportunity. He said that he would use every resource at SMG's disposal. Mr. Lepore noted that SMG has brought Spirit of

America, Star Wars and Jay Z to the Dunk. Mr. Buonanno stated that he is pleased with what has been done to increase the number and quality of events.

CONVENTION CENTER COMMITTEE

Mr. Hirsh reported that the Convention Center Committee had met on September 22nd and that August was a very good month. Mr. McCarvill noted that Gov Energy had been a great event. He said that Food & Beverage revenue exceeded expectations and we would like to see this group return. Mr. Muldoon reported that the Convention Center has a building condition survey going on. He said that the results of the survey will help to determine where the building needs attention. Mr. Muldoon reported that the granite in the plaza outside the rotunda is failing and needs to be replaced. He said that they are looking at poured concrete that would be stained to match the existing surface. Mr. Muldoon assured the Board that the look and durability of the surface will be improved. Upon a motion duly made by Mr. Nee and seconded by Mr. Butler it was unanimously

VOTED: to replace the granite slabs in the plaza with poured concrete.

Mr. Muldoon noted the inclusion of rent waivers in the Board package. He asked that the waivers be approved. Discussion ensued regarding the need for the waivers. Careful consideration was given

to each waiver. Upon a motion duly made by Mr. Fowler and seconded by Mr. Buonanno it was unanimously

VOTED: to approve the rent waivers

Mr. Muldoon reported that RIPTA will be remodeling Kennedy Plaza. He said that during the renovations there will be more buses in front of the Convention Center on Sabin Street.

VMA

Mr. Hahl reported that there are 113 events scheduled at the VMA and that there are a great many irons in the fire. Mr. Hahl distributed a pamphlet that was produced free of charge by Artinium. Mr. Hahl noted that the VMA does not have the budget for marketing and advertising. Mr. Duffy said imagine what you could do if you had a budget. Ms. Venturini stated that having Artinium helping out with the pamphlet is a really big deal. Mr. Duffy asked if using the Convention Center staff is working out. Mr. Hahl said that they are helping with the leaks in the roof. Mr. Hahl also reported that the handrails are being installed. Mr. Hahl noted that he is attempting to secure Sesame Street for the theater. Mr. Fowler asked what the Festival Ballet is doing. Mr. Hahl said that they have stopped giving away so many vouchers and realized that reducing the price of the ticket is better than a give away.

Mr. Duffy brought up the issue of the City of Providence Ordinance Relative to Hospitality Business Protection and Worker Retention and the potential impact it would have on the Authority. Mr. Leach explained the ordinance. Mr. Duffy asked if the City can tell the State how they have to handle employees if there is a change in management. Mr. Leach said that we are not technically a State facility. Mr. Duffy said that this would also affect Sportservice and SMG. Mr. Nee stated that he wanted this Board to discuss the ordinance before any decision has been made to take any action regarding the ordinance. He said that the ordinance was initiated due to concerns with the Westin. Mr. Nee reported that Mr. Procaccianti intends to sub contract services at the Westin. Mr. Duffy said that he understands the concerns of the employees, some of which have been with the hotel since it opened but this ordinance shackles any potential management companies that would be bidding on the contract for management of the Authorities facilities. Mr. Nee reported that the union has received notification and that is what precipitated the ordinance. Discussions ensued regarding the impact that this would have on the Authority. Ms. Venturini said that if she understood this right this ordinance is meant to send a message. Mr. Nee said yes. Mr. MacDonald reminded the Board that the Westin was sold with the understanding that employees would be safe. He said that these buildings, including the Westin were built to bring good jobs to the City. Mr. Duffy said that we will continue to monitor the situation. He said that our responsibility is to these buildings. Mr. Fowler asked Mr. MacDonald what he would propose. Mr.

MacDonald said that we should be compassionate and asked if we really believe that the hotel would be better off sub contracting services and taking the jobs of people that have been loyal employees for years. Mr. Nee noted that the ordinance is also protection for mid management. Mr. Duffy said that it takes away the flexibility of management. Upon a motion duly made by Mr. Buonanno and seconded by Ms. Venturini it was

VOTED: to continue to monitor the progress of the ordinance and take all appropriate action to remove the Authority from the ordinances' coverage.

Vote

Dave Duffy yes

Dale Venturini yes

Jeff Hirsh yes

Letitia Carter yes

Jason Fowler yes

Bill Daugherty yes

Bernie Buonanno

George Nee no

Patrick Butler no

Paul MacDonald no

Mr. Duffy asked if there was any new business. Hearing none he

asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by Mr. Fowler it was unanimously

VOTED: to adjourn at 10:50 AM